

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION FINANCE COMMITTEE

MINUTES OF MEETING

December 14, 2010



The Finance Committee met on December 14, 2010, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:30 p.m. and the following members were present:

Henry Jones, Chair Louis F. Moret, Vice Chair Terry McGuire for John Chiang JJ Jelincic Grant Boyken for Bill Lockyer Tony Oliveira

Excused Member(s):

Other Board Member(s):

AGENDA ITEM 2 – APPROVAL OF NOVEMBER 16, 2010, MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3a -CHIEF AUDITOR'S REPORT

Margaret Junker, Chief Auditor, presented a matrix reflecting the status of various activities occurring within the Office of Audit Services to the Committee as an information item.

AGENDA ITEM 3b - OFFICE OF AUDIT SERVICES QUARTERLY REPORT

Ms. Junker presented the quarterly report to the Committee as an information item.

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AGENDA ITEM 4a - COMPLIANCE OFFICE REPORT

Sherry Johnstone, Chief Compliance Officer, presented the report to the Committee as an information item.

AGENDA ITEM 4b - Calpers ETHICS HELPLINE STATUS REPORT

Ms. Johnstone presented the status report to the Committee as an information item. At the request of the Chair, the following change will be made to Attachment D:

 Paragraph two, under the Protocol for Chief Compliance Officer to Report Issues and Allegations Involving a Board Member/Representative or Board Reportable Staff, remove "his or her designee" and replace with "the Board Vice President".

AGENDA ITEM 5a - PRIVACY AND SECURITY QUARTERLY REPORT

Sheri Hofer, Enterprise Privacy and Security Officer, presented the quarterly report to the Committee as an information item.

AGENDA ITEM 6a - FISCAL YEAR 2010-11 MID-YEAR BUDGET REVISIONS (SECOND READING)

Steve Pietrowski, Assistant Chief, Fiscal Services Division, presented the second reading of the mid-year budget revisions to the Committee as an action item.

On **MOTION** by Tony Oliveira, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the second reading of the 2010-11 mid-year budget revisions as follows:

- 1) A one-time decrease in Fiscal Year (FY) 2010-11 to the Administrative Budget of \$15,465,000 and an increase of 13.0 additional positions, funded internally, for a total revised Administrative Budget of \$315,731,000 and 2,330 positions as a second reading.
- 2) The proposed FY 2010-11 Mid-Year increase of \$15,465,000 to the Enterprise Projects Budget for a total budget of \$36,681,000 as a second reading.
- 3) The proposed FY 2010-11 cost allocation adjustments to the Public Employees' Retirement Fund and other funds as a second reading.
- 4) Transmittal of this agenda item to the Joint Legislative Budget Committee and the Fiscal Committees of the Legislature, the State Controller, and the Department of Finance, in accordance with the Budget Act of 2010, and to the Legislative Analyst's Office and the State and Consumer Services Agency.

AGENDA ITEM 6b – BUDGET AND EXPENDITURE REPORT FOR THE FIRST QUARTER OF FISCAL YEAR 2010-11

Mr. Pietrowski presented the report to the Committee as an action item.

On **MOTION** by Terry McGuire, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the transmittal letter and submission of the Budget and Expenditure Report through the first quarter of FY 2010-11 to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2010, and to the Legislative Analyst's Office, State and Consumer Services Agency and the Office of the Legislative Counsel.

AGENDA ITEM 6c - CURRENT BUDGET ISSUES

Mr. Pietrowski presented State Budget issues to the Committee as an information item.

AGENDA ITEM 6d - CURRENT FINANCIAL REPORTING ISSUES

Dave Cornejo, Interim Chief, Fiscal Services Division, presented the status of the 2009-10 Comprehensive Annual Financial Report to the Committee as an information item.

AGENDA ITEM 7a – ASSISTANT EXECUTIVE OFFICER'S REPORT ON INFORMATION TECHNOLOGY ACTIVITIES

Dale Jablonsky, Assistant Executive Officer, presented a matrix reflecting the status of various activities occurring within the Information Technology Services Branch to the Committee as an information item.

AGENDA ITEM 8a - INTERIM ASSISTANT EXECUTIVE OFFICER REPORT

Russ Fong, Interim Assistant Executive Officer, Administrative Services Branch, presented a matrix reflecting the status of various activities occurring within the Administrative Services Branch to the Committee as an information item.

AGENDA ITEM 8b - PROPOSED FEBRUARY 2011 AGENDA

The proposed agenda was approved with the following modification:

Add CalPERS Ethics Helpline Report as an agenda item

AGENDA ITEM 9a - PUBLIC COMMENT

ourned at 2:23 p.m.
led for February 15, 2011, in
IEN W. KESSLER Executive Officer, Operations